

II MBA - II Semester-Regular Examinations – April 2019

GLOBAL MARKETING MANAGEMENT

Duration: 3 hours

Max. Marks: 60

SECTION - A

1. Answer the following:

5 x 2 = 10 M

- a) Differentiate International marketing and Domestic marketing.
- b) What is Franchising in international trade?
- c) What is product positioning in international marketing?
- d) What is more effective promotional tool in international marketing?
- e) What is post-shipment procedure?

SECTION – B

Answer the following:

5 x 8 = 40 M

2. a) Why is the task of the international marketer more complex and difficult than that of domestic marketer?

(OR)

- b) “International Marketing has become indispensable in the economic development of a developing country.” Comment with respect to Indian scenario.

3. a) Briefly explain about the following foreign market entry strategies

i) Indirect exporting ii) Franchising strategies.

(OR)

b) What foreign market entry strategies you suggest for a new firm?

4. a) Explain how exchange rate and inflation effect the way you price your product in International Marketing?

(OR)

b) What is dumping? When does it become illegal? What can a seller do to circumvent anti dumping regulations?

5. a) Explain direct channel intermediaries and indirect channel agents with the example from Indian context.

(OR)

b) What do you understand by Promotion in relation to International Trade? What are the objectives and importance of sales promotion in foreign trade?

6. a) Explain the process of export management.

(OR)

b) What are the procedures for customs clearance?

SECTION-C

7. Case Study

1x10=10 M

EXPORT – IMPORT OF WATCHES

In 1998, the company decided to move out of the lower segment of the clocks business. The same year, Titan instituted the ‘PQCD world class- manufacturing program’ that placed renewed emphasis on Productivity, Quality, Cost control and Delivery on time.

This program emphasized greater focus on customer satisfaction and profitability, In order to cut costs, the company indigenized its components. It was able to increase the proportion of indigenous components from 44% in 1994 to about 75% in 1998.

The company also implemented SAP Enterprise Resource Planning on the advice of Coopers & Lybrand consultants, to improve the utilization and planning of resources, lower lead time and inventories, Over the year, Titan became one of the most successful and respected Indian brands.

The company was ranked sixth among the world’s largest watch manufacturers. It was given the credit for revolutionizing the Indian watch industry in India through constant innovation, better product design, heavy branding and good distribution. The advertisement campaign for Titan watches with the signature tune adapted from the 25th symphony of Mozart became a landmark Indian advertising’s history (Refer Table 8.1 for key statistics of the Indian watch industry).

Table 8.1: Indian watch Industry – Key Statistics

Year	Production (in 000nos)	Market size (in Rs crore)	Market Shares (in %)			
			Titan	HMT	Timex	Others
1993	29401.6	516.3	37	47	3	13
1994	30648.4	465.5	49	22	10	19
1995	20198.6	587.4	45	22	12	21
1996	24726	766	41	23	13	23
1997	36480.7	797.3	45	21	10	24
1998	36717.5	746.3	48	22	10	20

The company's tryst with outsourcing began in 1999, with the changes in India's foreign trade policies. Earlier only watches worth Rs 35,000 and above could be imported. The new EXIM policy freed the imports of watches of any value under a special import license. The import duty was also set to be reduced gradually in the future. According to analysis, this removal of restrictions could cause international players to make a beeline for marketing their products in India. Titan, which hitherto had only the low-profile, failing HMT as the main competitor, realized the financial muscle and technological superiority of the MNCs. In order to be able to meet the challenges of the changing market dynamics, outsourcing became an imperative for the company.

Questions

1. What was the effect of Export and Imports of watches in various companies?
2. What were the implications of EXIM Policy in Titan and HMT?
3. What do you mean by Special Import License as initiated in the EXIM Policy?